

REMARKS/ARGUMENTS

Status of the Claims

Claims 1-23 are pending in the instant application. Claim 1 is amended to include the elements of claim 2, namely that the method of the invention is practiced in a coordinated manner over multiple end user sites. No new matter is added by this amendment.

The Invention

The present invention provides a method for procuring energy efficient equipment and distributing (installing) this equipment in multiple end user sites in a manner that incorporates the efficiencies of large scale procurement of energy efficient resources on behalf of end users. The present invention greatly increases the cost-efficiency of the procurement and installation of the equipment and increases the economic benefits to the participating end users.

Response to Claim Rejections Under 35 U.S.C. §103

Over Pilugin: "No Wasted Energy" (Publication) in view of Yablonowski, *et al.* (US 6,535,859) (Yablonowski)

Claims 1-12 and 16-21 are rejected under 35 U.S.C. §103(a) as allegedly being unpatentable over Pilugin "No Wasted Energy" (Publication) in view of Yablonowski, *et al.* (US 6,535,859) (Yablonowski). Applicants respectfully disagree with the Examiner's application of the references to the instant claims. In the first instance, the combination is missing elements of Applicant's claimed invention. Moreover, the combination of the references is improper; the combination destroys the function of at least one of the references, and there is no suggestion to combine the references in the absence of Applicant's specification,

The combination of Publication and Yablonowski is missing at least two elements of the claimed invention

The Examiner characterizes Publication as disclosing installation of a heat exchanger system at no cost to the end user and selling conserved energy back to the end user at a rate 30% below that paid for the primary energy source. The Examiner acknowledges that

Publication neither discloses nor suggests auditing the energy use of the equipment at the end user site prior to installation of the heat exchanger. Yablonowski is relied upon for its disclosure of auditing an end user site prior to installing energy efficient equipment.

As is explicit in claim 1 (and its dependents), the present invention provides surprising economic benefits by virtue of the deployment of energy efficient equipment across ***multiple end user sites in a coordinated manner***. Coordinating the procurement and deployment of the energy efficient equipment provides for efficiencies in (a) equipment procurement; (b) procurement of services (e.g., auditing and installation); (c) financing; (d) pooling of utility incentives; (e) consolidated billing; (f) risk management; and (g) resource measurement. A disclosure or suggestion of these surprising advantages of the instant invention is not found anywhere in the art presently of record.

Both Publication and Yablonowski are directed to “one-off” installations of energy efficient equipment at ***a single end user site***. Neither Publication nor Yablonowski disclose or suggest a process in which the analysis of energy use, procurement and deployment of energy efficient resources, billing the end user and pooling utility credits for installing energy efficient equipment are conducted in a coordinated manner, thereby maximizing the economic efficiency of the process. Features characterizing the coordinated method of claim 1 are set forth in the specification at page 4, lines 17-19 (“...incorporates large scale procurement of energy efficiency resources on behalf of a number of customers.”), and pages 6-9. Neither Publication nor Yablonowski disclose or suggest any of these aspects of Applicant’s coordinated method.

In rejecting claim 2, the Examiner states that Yablonowski discloses a process that is conducted across multiple end user sites in a coordinated manner. This is incorrect. The sections relied upon by the Examiner (column 6, line 54-column 7, line 41) discuss the manner in which the process is conducted at ***a single end user site***. These sections do not disclose installation across multiple end user sites nor do they discuss the coordination of procurement and deployment of energy efficient equipment across multiple end user sites in a coordinated manner.

Accordingly, the art now of record is missing at least two elements of claim 1: (a) deployment of energy efficient equipment at multiple end user sites; and (b) the coordination of

the elements of the procurement and deployment of the energy efficient equipment across multiple end user sites to maximize the economic efficiency of the process. As each element of the claimed invention is not found in the art, a rejection under 35 USC §103(a) has not been made out, and cannot be made out without the explicit disclosure of the missing elements of the claimed invention.

No motivation exists to combine the references

It is axiomatic to the process of examination and patent law that a modification of a reference that destroys the purpose or function of the reference cannot form the basis of a proper *prima facie* case of obviousness under 35 USC §103(a).

As pointed out in Applicant's earlier responses, charging the end user a fee for the energy efficient equipment is an essential element of Yablonowski. This element is found throughout the specification and is in each independent claim of the patent. In contrast, the method of Publication does not involve charging the end user a fee. In attempting to combine a reference that requires charging an end user fee with a reference that avoids charging an end user fee must necessarily destroy the function and/or purpose of at least one of these references. Accordingly, the references cannot properly be combined.

Moreover, Publication is silent with regard to the use of auditing in the disclosed method. Without the Applicant's specification in hand, it would be unlikely that one of skill would read publication and immediately conclude that an auditing process was a necessary component of the method of Publication. Accordingly, Applicant respectfully suggests that the Examiner has engaged in hindsight reconstruction of Applicant's claimed invention, picking and choosing elements of the references to arrive at an approximation of Applicant's claimed invention.

A recent decision by the Board is highly relevant here:

Obviousness cannot be established by combining prior art to produce the claimed invention absent some teaching or suggestion supporting the combination. The mere fact that the prior art may be modified in the manner suggested by an examiner does not make the modification obvious unless

the prior art suggested the desirability of the modification.
Ex parte Gottling (B.P.A.I. 2005).

In view of the Board's holding that the prior art must suggest the desirability of the modification, Applicant respectfully requests that the examiner explicitly identify where Publication explicitly suggests the desirability of combining the method of Publication with an auditing method. Conversely, Applicant requests that the Examiner point out where in Yablonowski is the suggestion to use an auditing method in combination with a method that does not charge the end user a fee for the deployment of energy efficient equipment. Applicant respectfully submits that neither suggestion can be found in the references of record.

In view of the arguments set forth above, Applicant asserts that the combination of Publication and Yablonowski fails to set forth each element of the claimed invention and, furthermore, is an improper combination of references. The methods of Publication and Yablonowski accomplish different purposes. Publication provides energy efficient equipment to an end user in a non-coordinated manner and does not charge the end user for the equipment. In contrast Yablonowski provides energy efficient equipment to an end user in a non-coordinated manner, assessing the end user a fee for the equipment. The references cannot be combined without destroying the function or purpose of one of the references. Moreover, the combination relies on hindsight. In the absence of Applicant's specification, one of skill would have no reason to believe that the references should be combined, nor would one of skill have any reason to pick and choose the elements of the disclosures, selecting some and discarding others, to produce the claimed method.

**Over Pilugin (Publication) in view of Yablonowski and further in view of
Adams *et al.***

Claims 13 and 14 are rejected under 35 U.S.C. §103(a) as allegedly being unpatentable over Pilugin (Publication) in view of Yablonowski and further in view of Adams, *et al.* (US 6,154,730) (Adams). The deficiencies of the combination of Publication and Yablonowski are discussed above. The additional reference does nothing to remedy these deficiencies.

**Over Pilugin (Publication) in view of Yablonowski and further in view of
King (US 6,148,293)**

Claim 15 is rejected under 35 U.S.C. §103(a) as being allegedly unpatentable over Pilugin (Publication) in view of Yablonowski and further in view of King (US 6,148,293) (King). The deficiencies of the combination of Publication and Yablonowski are discussed above. The additional reference does nothing to remedy these deficiencies.

**Over Pilugin (Publication) in view of Yablonowski and further in view of
Wallman (US 6,360,210)**

Claim 22 is rejected under 35 U.S.C. §103(a) as being allegedly unpatentable over Pilugin (Publication) in view of Yablonowski and further in view of Wallman (US 6,360,210) (Wallman). The deficiencies of the combination of Publication and Yablonowski are discussed above. The additional reference does nothing to remedy these deficiencies.

**Over Pilugin (Publication) in view of Yablonowski and further in view of
Johnson (US 6,169,979)**

Claim 23 is rejected under 35 U.S.C. §103(a) as being allegedly unpatentable over Pilugin (Publication) in view of Yablonowski and further in view of Johnson (US 6,169,979) (Johnson). The deficiencies of the combination of Publication and Yablonowski are discussed above. The additional reference does nothing to remedy these deficiencies.

CONCLUSION


In view of the foregoing, Applicant believe all claims now pending in this Application are in condition for allowance. The issuance of a formal Notice of Allowance at an early date is respectfully requested.

If the Examiner believes a telephone conference would expedite prosecution of this application, please telephone the undersigned at 415-576-0200.

Appl. No. 09/964,133
Amdt. dated 9/12/2005
Reply to Office Action of March 10, 2005

PATENT

Respectfully submitted,

 Todd ESKER 46,690
signing for

Jeffry S. Mann, Ph.D.
Reg. No. 42,837

MORGAN, LEWIS & BOCKIUS, LLP
One Market, Spear Street Tower
San Francisco, California 94105
Tel: 415-442-1000
Fax: 415-442-1001
Attachments
1-SF/7217486.1